

Message Text

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47

ACTION EUR-25

INFO OCT-01 EA-11 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 RSR-01

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 4820

INFO AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

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E. O. 11652: N/ A

TAGS: ETRD, US, GW, EEC

SUBJECT: FRIEDRICHS' REMARKS ON MULTILATERAL TRADE
NEGOTIATIONS (MTN)

1. SUMMARY - IN A 26 APRIL SPEECH IN HANNOVER ECONMIN FRIEDRICHS
GENERALLY WELCOMED THE TRADE LEGISLATION BROUGHT BEFORE THE US
CONGRESS AND EMPHASIZED HIS CONVICTION THAT A SUCCESSFUL ROUND
OF TRADE LIBERALIZATION NEGOTIATIONS IN THE GATT IS AN ABSOLUTE
NECESSITY FOR THE FRG. HE ALSO ADDED SOME SPECIFICS ON THE
AGREEMENTS THAT SHOULD BE SOUGHT AT THE NEGOTIATIONS. END SUMMARY.
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2. THE U. S. TRADE BILL - FRIEDERICHs DESCRIBED THE BILL AS CREATING A GOOD FOUNDATION FOR LIBERALITY AND RESPONSIVENESS ON THE PART OF THE U. S. HE HEARTILY WELCOMED THE INTENDED PURPOSE OF THE BILL - THE IMPROVEMENT OF TRADING CONDITIONS FOR ALL COUNTRIES AND THE UTILIZATION OF THE UNIQUE OPPORTUNITY PRESENTED BY THE GATT NEGOTIATIONS TO REDUCE TRADE BARRIERS AND EXPAND WORLD TRADE. HOWEVER, HE ALSO VOICED HIS CONCERN THAT THE U. S. ADMINISTRATION WAS SEEKING AUTHORITY FOR " NEW, ONE- SIDED RESTRICTIVE MEASURES THAT TRANSGRESSES THE BOUNDARIES DRAWN BY THE GATT."

3. FRIEDERICHs LISTED THE FOLLOWING GOALS FOR THE GATT NEGOTIATIONS: A) TARIFFS - " A SUBSTANTIAL REDUCTION IN INDUSTRIAL TARIFFS SHOULD BE SOUGHT. SUCH A REDUCTION OF ABOUT 50 PERCENT, COUPLED WITH A HARMONIZATION OF TARIFFS, SHOULD LEAD TO THE LONG RANGE GOAL OF COMPLETELY ELIMINATING THESE TARIFFS IN TEN TO TWENTY YEARS. TWO FURTHER MEASURES THAT SHOULD BE CONSIDERED NOW ARE A COMPLETE ELIMINATION OF NUISANCE TARIFFS AND, IN APPROPRIATE CASES, AGREEMENTS ON SECTORAL FREE TRADE ZONES. THESE TARIFF REDUCTIONS WOULD HAVE THE INESTIMABLE VALUE OF LESSENING TENSIONS BETWEEN THE US AND THE EC, SUCH AS THOSE THAT HAVE ARISEN IN CONNECTION WITH THE EC' S PREFERENCE SYSTEM."

B. NON- TARIFF BARRIERS - " AN ENERGETIC REDUCTION OF QUANTITATIVE IMPORT RESTRICTIONS, SELF- IMPOSED EXPORT RESTRICTIONS, AND OTHER NON- TARIFF BARRIERS IS NECESSARY. A HARMONIZATION OF INDUSTRY, HELTH AND OTHER STANDARDS SHOULD ALSO BE SOUGHT, AS WELL AS AN EQUALIZING OF GOVERNMENT PROCUREMENT PRACTICES."

C. EXPORT SUBSIDIES - " A THIRD GOAL IS THE ELIMINATION OF MEASURES REGULATING EXPORT AND EXPORT SUBSIDIES. IN THIS CONNECTION, THE PROBLEMS OF EXPORT CARTELS, EXPORT PROHIBITIONS AND EXPORT LICENSES SHOULD BE NEGOTIATED."

D. AGRICULTURE - 1 ALSO IMPORTANT FOR A SUCCESSFUL GATT ROUND IS THAT PROTECTIONISM IN AGRICULTURE BE REDUCED. IT IS ALREADY APPARENT THAT THIS QUESTION WILL BECOME THE FOCAL POINT OF THE NEGOTIATIONS. THE TRADING PARTNERS OF THE EC EXPECT LIBERAL CONTRIBUTIONS FROM THE COMMUNITY FOR THE SHAPING OF UNCLASSIFIED

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FUTURE INTERNATIONAL AGRICULTURAL TRADE."

E. SAFEGUARDS - " THE FURTHER DEVELOPMENT OF A SAFEGUARD CLAUSE MUST NOT BECOME ANOTHER METHOD OF PROTECTIONISM. FOR THIS REASON WE MUST EXAMINE THIS QUESTION WITH EXTREME CARE. IN FURTHER DEVELOPMENT OF THE SAFEGUARDS CLAUSE, THE PRINCIPLE OF

NON- DISCRIMINATORY APPLICATION SHOULD BE RETAINED. IN MY
OPINION A CRITICAL APPROACH TO THE WHOLE QUESTION OF A SAFE-
GUARD CLAUSE WOULD BEST FULFILL THE SPIRIT AND THE LETTER OF
THE GATTS." CASH

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